



**RIDEGRADE CORP.**  
FINANCIAL STATEMENT FOR THE PERIOD ENDED JULY 31, 2021

WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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## *Belle Business Services*

*Certified Public Accountants*

### **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Ridegrade Corp.  
Wilmington, Delaware

We have reviewed the accompanying financial statements of Ridegrade Corp, which comprise the balance sheet as of July 31, 2021, and the related statement of income, statement of equity and statement of cash flows for the period then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

#### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Belle Business Services, LLC*

Belle Business Services, LLC  
August 19, 2021

**RIDEGRADE CORP.**  
**BALANCE SHEET**  
**JULY 31, 2021**  
**(unaudited)**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents \$ 3,517

TOTAL CURRENT ASSETS 3,517

**TOTAL ASSETS** \$ 3,517

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable \$ -

TOTAL CURRENT LIABILITIES -

**LONG-TERM LIABILITIES**

Notes payable - related party 2,500

TOTAL LONG-TERM LIABILITIES 2,500

**TOTAL LIABILITIES** 2,500

**SHAREHOLDERS' EQUITY**

Common stock, see note 4 90

Additional paid-in capital 1,000

Accumulated deficit (73)

TOTAL SHAREHOLDERS' EQUITY 1,017

**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** \$ 3,517

See independent accountant's review report and accompanying notes to financial statements.

**RIDEGRADE CORP.**  
**STATEMENT OF INCOME**  
**JULY 31, 2021**  
**(unaudited)**

<b>REVENUES</b>	<b>\$ -</b>
<b>COST OF GOODS SOLD</b>	<u>-</u>
<b>GROSS PROFIT</b>	<b>-</b>
<b>OPERATING EXPENSES</b>	
General and administrative	<u>73</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>73</b>
<b>NET OPERATING INCOME</b>	<u>(73)</u>
<b>NET LOSS</b>	<u><u>\$ (73)</u></u>

See independent accountant's review report and accompanying notes to financial statements.

**RIDEGRADE CORP.  
STATEMENT OF EQUITY  
JULY 31, 2021  
(unaudited)**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
<b>BEGINNING BALANCE, MARCH 18, 2021 (INCEPTION)</b>	-	\$ -	-	\$ -	\$ -
Issuance of common stock	9,000,000	90	1,000	-	\$ 1,090
Net loss	-	-	-	(73)	\$ (73)
<b>ENDING BALANCE, JULY 31, 2021</b>	<u>9,000,000</u>	<u>\$ 90</u>	<u>\$ 1,000</u>	<u>\$ (73)</u>	<u>\$ 1,017</u>

See independent accountant's review report and accompanying notes to financial statements.

**RIDEGRADE CORP.**  
**STATEMENT OF CASH FLOWS**  
**JULY 31, 2021**  
**(unaudited)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss	\$ (73)
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase (decrease) in liabilities:	
Accounts payable	<u>-</u>

**CASH USED FOR OPERATING ACTIVITIES** **(73)**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Issuance of common stock	1,090
Issuance of notes payable - related party	<u>2,500</u>

**CASH PROVIDED BY FINANCING ACTIVITIES** **3,590**

**NET INCREASE IN CASH** **3,517**

**CASH AT INCEPTION** **-**

**CASH AT END OF PERIOD** **\$ 3,517**

**CASH PAID DURING THE YEAR FOR:**

**INTEREST** **\$ -**

**INCOME TAXES** **\$ -**

See independent accountant's review report and accompanying notes to financial statements.

**RIDEGRADE CORP.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JULY 31, 2021**  
**(unaudited)**

**1. Summary of Significant Accounting Policies**

***The Company***

Ridegrade Corp. (the “Company”) was incorporated in the State of Delaware on March 18, 2021. The Company specializes in changing the way buyers and sellers of vehicles conduct business by offering all the necessary tools and resources an individual requires to make used car sales convenient and transparent.

***Fiscal Year***

The Company operates on a December 31st year-end.

***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

***Use of Estimates***

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires the use of management’s estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at fiscal year-end. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Company considers all highly liquid financial instruments purchased with maturities of three months or less to be cash equivalents. As of July 31, 2021, the Company held no cash equivalents.

***Risks and Uncertainties***

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions.

The Coronavirus Disease of 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. Specific to the Company, COVID-19 may impact various parts of its 2021 operations and financial results including shelter in place orders, material supply chain interruption, economic hardships affecting funding for the Company’s operations, and affects the Company’s workforce. Management believes the Company is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of July 31, 2021.

***Income Taxes***

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company’s financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

*See independent accountant’s review report.*

**RIDEGRADE CORP.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JULY 31, 2021**  
**(unaudited)**

**1. Summary of Significant Accounting Policies (continued)**

***Income Taxes (continued)***

The Company is subject to tax filing requirements as a corporation in the federal jurisdiction of the United States. The Company sustained net operating losses during fiscal year 2021. Net operating losses will be carried forward to reduce taxable income in future years. Due to management's uncertainty as to the timing and valuation of any benefits associated with the net operating loss carryforwards, the Company has elected to recognize an allowance to account for them in the financial statements but has fully reserved it. Under current law, net operating losses may be carried forward indefinitely.

The Company is subject to franchise and income tax filing requirements in the State of Delaware.

***Fair Value of Financial Instruments***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

- Level 1                   - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
  
- Level 2                   - Include other inputs that are directly or indirectly observable in the marketplace.
  
- Level 3                   - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of Inception. Fair values were assumed to approximate carrying values because of their short term in nature or they are payable on demand.

***Concentrations of Credit Risk***

From time-to-time cash balances, held at a major financial institution may exceed federally insured limits of \$250,000. Management believes that the financial institution is financially sound, and the risk of loss is low.

***Revenue Recognition***

The Company adopted Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606"). Revenue is recognized when performance obligations under the terms of the contracts with our customers are satisfied. The Company generates revenues through inspection fees, syndication fees, and access to the Ridegrade website.

*See independent accountant's review report.*

**RIDEGRADE CORP.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JULY 31, 2021**  
**(unaudited)**

**1. Summary of Significant Accounting Policies (continued)**

***Revenue Recognition (continued)***

The Company's payments are generally collected upfront. For the period ending July 31, 2021, the Company recognized nil in revenue.

***Advertising Expenses***

The Company expenses advertising costs as they are incurred.

***Organizational Costs***

In accordance with FASB ASC 720, organizational costs, including accounting fees, legal fee, and costs of incorporation, are expensed as incurred.

***New Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which supersedes the guidance in ASC 840, *Leases*. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This guidance is effective for annual reporting periods beginning after December 15, 2021 for non-public entities. The adoption of ASU 2016-02 had no material impact on the Company's financial statements and related disclosures.

**2. Commitments and Contingencies**

The Company is not currently involved with and does not know of any pending or threatening litigation against the Company or its members.

**3. Notes Payable – Related Party**

Since inception, related parties have loaned the Company a total of \$2,500, as of July 31, 2021. There is no interest, minimum monthly payments or maturity dates associated with the loans. Management does not intend to pay it back within the next year.

**4. Equity**

***Common Stock***

Under the articles of incorporation, the total number of common shares of stock that the Corporation shall have authority to issue is 10,000,000 shares, at \$0.00001 par value per share. As of July 31, 2021, 9,000,000 shares have been issued and are outstanding.

*See independent accountant's review report.*

**RIDEGRADE CORP.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JULY 31, 2021**  
**(unaudited)**

**5. Subsequent Events**

***Managements Evaluation***

The Company has evaluated subsequent events through August 19, 2021, the date through which the financial statement was available to be issued. It has been determined that no events require additional disclosure.

*See independent accountant's review report.*